

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 04808 221826Z

70

ACTION EUR-25

INFO OCT-01 IO-13 ADP-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-03 RSC-01 AID-20 CIEP-02 SS-15

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 OMB-01 RSR-01

SIL-01 /184 W

----- 023728

R 221727Z AUG 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5668

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS

LIMITED OFFICIAL USE EC BRUSSELS 4808

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR ETRD EEC

SUBJECT: EC GRAIN SITUATION AND EXPORT LEVIES

REF: A. EC BRUSSELS 4677; B. STATE 166077

1. SUMMARY. FOLLOWING THE IMPOSITION ON AUGUST 15 OF EC EXPORT
LEVIES FOR SOFT WHEAT, EXPORT CERTIFICATES HAVE BEEN REQUESTED

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 04808 221826Z

IN THE COMMUNITY FOR ABOUT ONE MILLION TONS OF WHEAT. AS A

RESULT OF THIS EXPORT DEMAND, FRANCE REQUESTED THE COMMISSION ON AUGUST 21 TO AGAIN BAN THE ISSUANCE OF WHEAT EXPORT CERTIFICATES. THE COMMISSION DECIDED NOT TO ACCEDE TO THE FRENCH REQUEST. THE 1973/74 SOFT WHEAT HARVEST IN THE COMMUNITY IS EXPECTED TO YIELD A CROP OF ABOUT THE SAME MAGNITUDE AS IN 1972/73. ANTICIPATED IMPORT NEEDS FOR THE ENLARGED EC TOTAL 6.7 MILLION METRIC TONS. IF WORLD MARKET SUPPLIES ARE NOT SUFFICIENT TO MEET THESE IMPORT NEEDS, THE COMMISSION MAY IMPOSE MORE RESTRICTIVE EXPORT CONTROLS. END SUMMARY.

2. ON AGUST 21, MISSION OFFICERS MET WITH RAYMOND LEONDURANT AND ALBERT BLERO OF THE EC COMMISSION'S GRAIN DIVISION TO REVIEW THE 1973/74 SUPPLY AND DEMAND SITUATION FOR WHEAT IN THE ENLARGED COMMUNITY AND TO OBTAIN THEIR VIEWS ON THE EFFECTS OF THE GRAIN EXPORT LEVIES IMPOSED SINCE AUGUST 15. (REF A)

3. THE COMMISSION OFFICIALS SAID THAT ON AUGUST 20, WHEN THE EXPORT LEVY ON SOFT WHEAT WAS 28 U.A./M.T. (IT WAS INCREASED TO 32 U.A./M.T. EFFECTIVE AUGUST 21), EXPORT CERTIFICATES HAD BEEN REQUESTED FOR 300,000 METRIC TONS OF WHEAT. THE LEVY OF 28 U.A. WAS PROBABLY APPLICABLE TO MOST IF NOT ALL OF THIS QUANTITY. (EXPORT CERTIFICATES ARE VALIF FOR 30 DAYS AND THE LEVY CAN BE FIXED IN ADVANCE.) SINCE THE IMPOSITION OF EXPORT LEVIES ON AUGUST 15, EXPORT CERTIFICATES HAVE BEEN REQUESTED FOR A TOTAL OF 1 MILLION TONS OF WHEAT (600,000 TONS OF WHEAT AND 400,000 TONS OF FLOUR ON A WHEAT EQUIVALENT BASIS).

4. AS A RESULT OF THE HIGH EXPORT DEMAND, THE FRENCH GOVERNMENT ON AUGUST 21 FORMALLY REQUESTED THE COMMISSION TO AGAIN COMPLETELY BAN THE ISSUANCE OF EXPORT CERTIFICATES FOR SOFT WHEAT. LEONDURAND INFORMED US TODAY (AUGUST 22) THAT THE COMMISSION HAD DECIDED TO REFUSE THE FRENCH REQUEST. HOWEVER, IT IS LIKELY THAT THE EXPORT LEVY WILL BE FURTHER INCREASED IN ORDER TO CURB THE EXPORT DEMAND.

5. THE DEMAND FOR EXPORT CERTIFICATES FOR CORN HAS NOT BEEN VERY GREAT, ACCORDING TO THE EC OFFICIALS. ON AUGUST 20 CERTIFICATES REQUESTED FOR CORN TOTALED LESS THAN 10,000 TONS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 04808 221826Z

6. THE 1973/74 GRAIN HARVEST (INCLUDING RICE) IN THE ENLARGED COMMUNITY IS EXPECTED TO YIELD A CROP SLIGHTLY BELOW THE 103.9 MILLION MT HARVESTED IN 1972/73. SOFT WHEAT PRODUCTION IS ESTIMATED AT ABOUT 37.5 TO 37.9 MILLION TONS WHICH IS APPROXIMATELY THE SAME QUANTITY AS WAS PRODUCED IN 1972/73. PRODUCTION OF DURUM IS ESTIMATED AT 3.186 MILLION MT COMPARED TO 3.523 MILLION TONS A YEAR EARLIER. CORN AND BARLEY PRODUCTION IS EXPECTED TO BE UP, BUT DEFINITIVE ESTIMATES ARE

NOT YET AVAILABLE.

7. BASED ON COMMISSION ESTIMATES, WE HAVE PIECED TOGETHER THE FOLLOWING PROVISIONAL 1973/74 SUPPLY AND DISTRIBUTION BALANCE FOR WHEAT OTHER THAN DURUM IN THE ENLARGED EC:

	MILLION M.T.	
BEGINNING STOCKS	3.5	
PRODUCTION	37.9	
IMPORTS	6.7	
TOTAL SUPPLY-----	48.1	
FOOD AID COMMITMENTS	1.3	
COMMERCIAL EXPORTS (WHEAT AND FLOUR)	5.2	
DENATURING	9.0	
OTHER USES (INCLUDING FARM USE)	29.1	
ENDING STOCKS	3.5	
TOTAL DISTRIBUTION-----	48.1	

8. THE ANTICIPATED IMPORT NEEDS OF 6.7 MILLION TONS CONSIST OF 2.2 MILLION TONS FOR THE ORIGINAL EC AND 4.5 MILLION TONS FOR THE NEW MEMBER STATES. THESE IMPORT NEEDS REPORTEDLY APPROXIMATE ACTUAL IMPORTS IN 1972/73. WE WERE TOLD BY LEONDURAND THAT IF IT APPEAR THAT THE COMMUNITY WILL NOT BE ABLE TO IMPORT THIS QUANTITY OF WHEAT, THE COMMISSION MAY FIND IT NECESSARY TO ESTABLISH EXPORT CONTROLS MORE RESTRICTIVE THAN EXPORT LEVIES.

9. OUR MEETING WITH LEONDURAND AND BLERO TOOK PLACE PRIOR TO RECEIPT OF REF B. WE WILL DISCUSS WITH COMMISSION OFFICIALS THE INFORMATION REQUESTED IN THAT TELEGRAM. HOWEVER, WE DOUBT THAT THE COMMISSION WILL BE ABLE TO FURNISH US WITH THE DETAILED DATA TO THE EXTENT REQUESTED. HARTMAN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CUSTOMS DUTIES, WHEAT, EXPORT LICENSES, EXPORT CONTROLS, GRAINS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU04808
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730823/aaaaaqrq.tel
Line Count: 146
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. EC BRUSSELS 4677; B. STATE 166077
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 06 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Sep-2001 by elyme>; APPROVED <19-Sep-2001 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC GRAIN SITUATION AND EXPORT LEVIES
TAGS: EAGR, ETRD, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005